

EXHIBIT B
AMBULANCE REVENUE AND COST REPORT
FIRE DISTRICT and SMALL RURAL COMPANY

Arizona Department of Health Services
Annual Ambulance Financial Report

Reporting Ambulance Service

Report Fiscal Year

From: 01 / 01 / 2014 / To: 12 / 31 / 2014 /
Mo. Day Year Mo. Day Year

CERTIFICATION

I hereby verify that I have directed the preparation of the enclosed annual report in accordance with the reporting requirements of the State of Arizona.

I have read this report and hereby verify that the information provided is true and correct to the best of my knowledge.

This report has been prepared using the accrual basis of accounting.

Authorized Signature: _____

Date: 6-5-2015

Print Name and Title: Kim Moore EMS Chief of Verde Valley Ambulance Company

Mail to:

Arizona Department of Health Services
Bureau of Emergency Medical Services
Ambulance and Regional Services
150 North 18th Avenue, Suite 540
Phoenix, AZ 85007
Telephone: (602) 364-3150
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AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: VERDE VALLEY AMBULANCE COMPANY, INC.

FOR THE PERIOD FROM: January 1, 2014 TO: December 31, 2014

STATISTICAL SUPPORT DATA

Line No.	DESCRIPTION	(1) SUBSCRIPTION SERVICE TRANSPORTS	*(2) TRANSPORTS UNDER CONTRACT	(3) TRANSPORTS NOT UNDER CONTRACT	(4) TOTALS
01	Number of ALS Billable Transports:			<u>2,435</u>	<u>2,435</u>
02	Number of BLS Billable Transports :			<u>451</u>	<u>451</u>
03	Number of Loaded Billable Miles :			<u>67,577</u>	<u>67,577</u>
04	Waiting Time (Hr. & Min.):			<u>0</u>	<u>0</u>
05	Canceled (Non-Billable) Runs:			<u>699</u>	<u>699</u>

AMBULANCE SERVICE ROUTINE OPERATING REVENUE

06	ALS Base Rate Revenue	\$ <u>2,651,960</u>
07	BLS Base Rate Revenue	<u>488,352</u>
08	Mileage Charge Revenue	<u>1,241,996</u>
09	Waiting Charge Revenue	<u>0</u>
10	Medical Supplies Charge Revenue	<u>0</u>
11	Nurses Charge Revenue	<u>0</u>
12	Standby Charge Revenue (Attach Schedule)	
13	TOTAL AMBULANCE SERVICE ROUTINE OPERATING REVENUE	\$ <u>4,382,308</u>

SALARY AND WAGE EXPENSE DETAIL

GROSS WAGES:

			<u>**No. of F.T.E.s</u>
14	Management	\$ <u>64,760</u>	
15	Paramedics and IEMTs	\$ <u>652,797</u>	
16	Emergency Medical Technician (EMT)	\$ <u>366,751</u>	
17	Other Personnel	\$ <u>70,996</u>	
18	Payroll Taxes and Fringe Benefits - All Personnel	\$ <u>449,837</u>	

*This column reports only those runs where a contracted discount rate was applied.

**Full-time equivalents (F.T.E.) is the sum of all hours for which employees wages were paid during the year divided by 2080.

AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: VERDE VALLEY AMBULANCE COMPANY, INC.

FOR THE PERIOD FROM: January 1, 2014 TO: December 31, 2014

SCHEDULE OF REVENUES AND EXPENSES

Line No.	DESCRIPTION	FROM	
Operating Revenues:			
01	Total Ambulance Service Operating Revenue	Page 2, Line 13	\$ <u>4,435,137</u>
	Settlement Amounts:		
02	AHCCCS		(<u>755,555</u>)
03	Medicare		(<u>785,015</u>)
04	Subscription Service		(<u>0</u>)
05	Contractual		(<u>0</u>)
06	Other		(<u>646,252</u>)
07	Total (Sum of Lines 02 through 06)		(<u>2,186,822</u>)
08	Total Operating Revenue (Line 01 minus Line 07)		\$ <u>2,248,315</u>
Operating Expenses:			
09	Bad Debt		\$ <u>0</u>
10	Total Salaries, Wages, and Employee-Related Expenses		<u>1,605,141</u>
11	Professional Services		<u>5,220</u>
12	Travel and Entertainment		<u>5,529</u>
13	Other General Administrative		<u>131,709</u>
14	Depreciation		<u>75,862</u>
15	Rent/Leasing		<u>0</u>
16	Building/Station		<u>26,936</u>
17	Vehicle Expense		<u>114,601</u>
18	Other Operating Expense		<u>90,282</u>
19	Cost of Medical Supplies Charged to Patients		<u>0</u>
20	Interest		<u>0</u>
21	Subscription Service Sales Expense		<u>0</u>
22	Total Operating Expense (Sum of Lines 09 through 21)		<u>2,052,280</u>
23	Total Operating Income or Loss (Line 08 minus Line 22)		\$ <u>196,035</u>
24	Subscription Contract Sales		<u>0</u>
25	Other Operating Revenue		<u>0</u>
26	Local Supportive Funding		<u>0</u>
27	Other Non-Operating Income (Attach Schedule)		<u>0</u>
28	Other Non-Operating Expense (Attach Schedule)		<u>0</u>
29	NET INCOME/(LOSS) (Line 23 plus Sum of Lines 24 through 28)		\$ <u>196,035</u>

AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: VERDE VALLEY AMBULANCE COMPANY, INC.

FOR THE PERIOD FROM: January 1, 2014 TO: December 31, 2014

BALANCE SHEET *Current audited financial statements may be submitted in lieu of this page.*

ASSETS

CURRENT ASSETS

01	Cash	\$	<u>426,143</u>
02	Accounts Receivable		<u>490,409</u>
03	Less: Allowance for Doubtful Accounts		<u>0</u>
04	Inventory		<u>22,170</u>
05	Prepaid Expenses		<u>4,733</u>
06	Other Current Assets		<u>0</u>
07	TOTAL CURRENT ASSETS	\$	<u>943,455</u>

PROPERTY & EQUIPMENT

08	Less: Accumulated Depreciation	\$	<u>58,856</u>
09	OTHER NONCURRENT ASSETS	\$	<u>1,231,933</u>
10	TOTAL ASSETS	\$	<u>2,234,244</u>

LIABILITIES AND EQUITY

CURRENT LIABILITIES

11	Accounts Payable	\$	<u>1,939</u>
12	Current Portion of Notes Payable		<u>0</u>
13	Current Portion of Long-Term Debt		<u>44,380</u>
14	Deferred Subscription Income		<u>0</u>
15	Accrued Expenses and Other		<u>0</u>
16			<u>0</u>
17			<u>0</u>
18	TOTAL CURRENT LIABILITIES	\$	<u>46,319</u>

19	NOTES PAYABLE		<u>0</u>
20	LONG-TERM DEBT OTHER		<u>400,030</u>

21	TOTAL LONG-TERM DEBT	\$	<u>400,030</u>
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EQUITY AND OTHER CREDITS

Paid-in Capital:

22	Common Stock	\$	<u>0</u>
23	Paid-In Capital in Excess of Par Value		<u>0</u>
24	Contributed Capital		<u>0</u>
25	Retained Earnings		<u>1,787,895</u>
26	Fund Balances		<u>0</u>

27	TOTAL EQUITY	\$	<u>1,787,895</u>
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28	TOTAL LIABILITIES & EQUITY	\$	<u>2,234,244</u>
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AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: VERDE VALLEY AMBULANCE COMPANY, INC.

FOR THE PERIOD FROM: January 1, 2014 TO: December 31, 2014

STATEMENT OF CASH FLOWS *Current audited financial statements may be submitted in lieu of this page.*

OPERATING ACTIVITIES:

01	Net (loss) Income	\$ <u>196,035</u>
	Adjustments to reconcile net income to net cash provided by operating activities:	
02	Depreciation Expense	<u>75,862</u>
03	Deferred Income Tax	<u>0</u>
04	Loss (gain) on Disposal of Property Equipment	<u>0</u>
	(Increase) Decrease in:	
05	Accounts Receivable	<u>(87,433)</u>
06	Inventories	<u>0</u>
07	Prepaid Expenses	<u>(4,157)</u>
	(Increase) Decrease in:	
08	Accounts Payable	<u>(1,159)</u>
09	Accrued Expenses	<u>0</u>
10	Deferred Subscription Income	<u>0</u>
11	Net Cash Provided (Used) by Operating Activities	\$ <u>179,148</u>

INVESTING ACTIVITIES:

12	Purchases of Property and Equipment	<u>0</u>
13	Proceeds from Disposal of Property and Equipment	<u>(4,177)</u>
14	Purchases of Investments	<u>0</u>
15	Proceeds from Disposal of Investments	<u>0</u>
16	Loans Made	<u>0</u>
17	Collections on Loans	<u>0</u>
18	Other _____	<u>0</u>
19	Net Cash Provided (Used) by Investing Activities	\$ <u>(4,177)</u>

FINANCING ACTIVITIES:

	New Borrowings:	
20	Long-Term	<u>(44,380)</u>
21	Short-Term	<u>(38,037)</u>
	Debt Reduction:	
22	Long-Term	<u>0</u>
23	Short-Term	<u>0</u>
24	Capital Contributions	<u>0</u>
25	Dividends paid	<u>0</u>
26	Net Cash Provided (Used) by Financing Activities	\$ <u>(82,417)</u>
27	Net Increase (Decrease) in Cash	\$ <u>92,554</u>
28	Cash at Beginning of Year	\$ <u>333,589</u>
29	Cash at End of Year	\$ <u>426,143</u>

SUPPLEMENTAL DISCLOSURES:

	Non-cash Investing and Financing Transactions:	
31	_____	\$ <u>0</u>
32	_____	<u>0</u>
33	Interest Paid (Net of Amounts Capitalized)	<u>24,087</u>
34	Income Taxes Paid	<u>50</u>

VERDE VALLEY AMBULANCE COMPANY, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

RICHARD O. CRANMER, P.C.
CERTIFIED PUBLIC ACCOUNTANT

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Cottonwood, Arizona 86326

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ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Verde Valley Ambulance Company, Inc.
Cottonwood, AZ

We have compiled the accompanying statement of financial position of Verde Valley Ambulance Company, Inc. (a nonprofit organization) as of December 31, 2014, and the related statements of activities and changes in net assets, statement of functional expenses, and statement of cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Verde Valley Ambulance, Inc. because the principal in our firm serves on the board of directors of Verde Valley Ambulance, Inc.

Richard O. Cranmer, P.C.

May 12, 2015

VERDE VALLEY AMBULANCE COMPANY, INC.
Statement Of Financial Position
December 31, 2014

ASSETS

Current Assets:

Cash	\$ 426,143
Accounts Receivable , Net Of Allowance	490,409
Inventory	22,170
Utility Deposit	576
Payroll Advances	<u>4,157</u>

Total Current Assets 943,455

Fixed Assets, At Cost:

Land, Building, and Improvements	952,968
Ambulance Equipment	1,100,566
Furniture, Fixtures, and Equipment	<u>131,367</u>

2,184,901

Less Accumulated Depreciation (894,112)

Net Fixed Assets 1,290,789

\$ 2,234,244

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 1,889
Income Tax Payable	50
Current Portion Long-Term Debt	<u>44,380</u>

Total Current Liabilities 46,319

Long-Term Debt 400,030

Total Liabilities 446,349

Net Assets

Unrestricted 1,787,895

Total Net Assets 1,787,895

\$ 2,234,244

See Accountant's Compilation Report.

VERDE VALLEY AMBULANCE CO., INC.
Statement Of Activities And Changes In Net Assets
For the Year Ended December 31, 2014

UNRESTRICTED NET ASSETS

Unrestricted Revenues And Other Support:

Program Service Fees:

Passenger Revenue	\$ 4,378,027
Other Income	56,939
Medicare and AHCCCS Billing Adjustments	(1,540,570)
Bad Debts	(646,252)
Investment Income	<u>171</u>

Total Unrestricted Revenue And
Other Support

2,248,315

Expenses:

Payroll	1,155,305
Employee Benefits	253,041
Payroll Taxes	87,987
Depreciation Expense	75,862
Dispatch	121,219
Insurance	28,146
Maintenance	62,935
Fuel	51,666
Office Supplies And Janitorial Services	19,336
Interest Expense	24,587
Professional Fees	5,220
Medical Supplies	70,241
Travel and Meals	5,529
Promotional Expense	9,900
Occupancy	26,936
Seminars and Education Expense	20,822
Billing Department	10,490
Donations	9,987
Miscellaneous	7,161
Supplies And Small Equipment	5,860
Income Tax Expense	<u>50</u>

Total Expenses

2,052,280

See accountant's compilation report.

VERDE VALLEY AMBULANCE COMPANY, INC.
Statement Of Activities And Changes In Net Assets
For the Year Ended December 31, 2014
(Continued)

Increase In Unrestricted Net Assets	196,035
Unrestricted Net Assets - Beginning Of Year	<u>1,591,860</u>
Unrestricted Net Assets - End Of Year	<u>\$ 1,787,895</u>

See accountant's compilation report.

VERDE VALLEY AMBULANCE COMPANY, INC.
Statement Of Functional Expenses
For The Year Ended December 31, 2014

	Community Service	General And Administrative	Total
Payroll	\$ 1,018,188	\$ 137,117	\$ 1,155,305
Payroll Taxes	77,514	10,473	87,987
Employee Benefits	226,216	26,825	253,041
Total Personnel Expenses	1,321,918	174,415	1,496,333
Dispatch	121,219		121,219
Insurance	28,146		28,146
Fuel	51,666		51,666
Maintenance	57,593	5,342	62,935
Medical Supplies	70,241		70,241
Occupancy		26,936	26,936
Office Supplies And Janitorial Services		19,336	19,336
Professional Fees		5,220	5,220
Interest Expense	466	24,121	24,587
Miscellaneous	4,025	3,136	7,161
Promotional Expense	9,900		9,900
Seminars And Continuing Education	19,668	1,154	20,822
Billing Department		10,490	10,490
Supplies And Small Equipment		5,860	5,860
Donations	9,987		9,987
Travel And Meal Costs	5,529		5,529
Income Tax Expense		50	50
Total Expenses Before Depreciation	1,700,358	276,060	1,976,418
Depreciation	37,897	37,965	75,862
Total Expenses	\$ 1,738,255	\$ 314,025	\$ 2,052,280
Percentage Of Total Expenses	84.7%	15.3%	100%

See accountant's compilation report.

VERDE VALLEY AMBULANCE COMPANY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (Decrease) in net assets	\$ 196,035
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	75,862
(Increase) decrease in operating assets:	
Inventory	-
Accounts Receivable, net of allowance	(87,433)
Payroll Advance	(4,157)
Utility Deposit	-
Increase (decrease) in operating liabilities:	
Accounts Payable	(1,159)
Income Taxes Payable	-
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	179,148

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase Building Improvements	-
Purchase of Ambulance Equipment	-
Purchase of Furniture and Equipment	(4,177)
	<hr/>
NET CASH USED BY INVESTING ACTIVITIES	(4,177)

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on Ambulance Loan	(28,178)
Payments on Sprinter Equipment Loan	(9,859)
Payments on Real Property Loan	(44,380)
	<hr/>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(82,417)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 92,554

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

333,589

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 426,143

SUPPLEMENTAL DISCLOSURES:

Interest Paid	\$ 24,587
Taxes Paid	\$ 50

See Accountant's Compilation Report.